

EXHIBIT J

POPE & ASSOCIATES

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FAX MEMORANDUM

Date: April 9, 1996

To: Tom Via

Fax: 614-276-2470

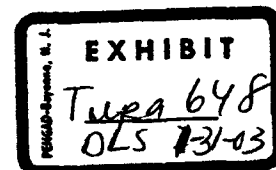
Fr: Mark S. Pope

Re: Product Launch

of pages including cover sheet: 19

Tom,

The comments and or proposed changes to the IPBUDV launch are indicated in bold script. I was having trouble coping the disk, (Murphys law) so I thought I'd better fax it to you. I'll call you this morning to discuss your thoughts.



ROX-04606

FROM : MUPE & ASSOCIATES

PHONE NO. : 707 257 2202

APR. 9. 1996 7:07AM P 2

IPRATROPIUM UDV'S**Market Overview**

The Ipratropium Bromide Unit Dose market was established with the approval, by Boehringer Ingelheim, of Atrovent Solution UDV in September of 1993. Ipratropium Bromide is an anti-cholinergic that is used in the treatment of Chronic Obstructive Pulmonary Disease (COPD). In addition to the UDV, Boehringer Ingelheim has marketed Ipratropium Bromide in the Metered Dose Inhaler (MDI) as Atrovent MDI since December, 1986.

Boehringer Ingelheim loses exclusivity on Atrovent Solution UDV in September 1996. Roxane Laboratories has been examining the market to determine the most effective method to launch generic Ipratropium Bromide Unit Dose Vials (IBUDV). To date the following information has been gathered:

According to BIPI, when the Atrovent UDV marketing plan was initially developed, the home health care segment of the market was overlooked. This oversight resulted in the product's demand exceeding supply and led to the necessity of compounding by homecare agencies to meet demand. Due to the short supply of the product, BIPI established an allotment system that filled all hospital orders, then wholesalers were assigned a monthly allotment, if any additional inventory remained the wholesalers were given the opportunity to purchase additional Atrovent UDV. This system was in effect until the new RT lines were installed at Roxane, and beginning in October, 1995 the allotments were lifted.

Because of this shortage and allotment system, the IBUDV market is somewhat of an unknown. The short time period that enough product has been available to meet demand does not provide a clear picture of where this market is going. On the surface it seems that sales may be leveling off at the INSERT UNIT SALES HERE unit level per month, annualized this puts the market at INSERT ANNUAL NUMBER. Due to this short time frame for readily available product, market projections were based on rate of growth for 1995. Market projections for 1996 range from 5.2 million units to 3.5 million units. For our purposes the market has been projected at 4.7 million units for 1996. This was based on BIPI unit sales of 2.1 million units in 1995 increased by a rate of 95%.

There has been a wide variety in the estimation of generic capture rate as well. For the purpose of forecasting a historic model of generic cannibalization was used, showing an

ROX-04607

FROM : ROX & ASSOCIATES

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increasing capture rate reaching 65% after a full 12 months on the market. Previous estimates have ranged from 50% to 80% for this generic capture rate. Given the customer interest in another source (other than BI), a capture rate of 80+ % is not unrealistic.

The forecast was prepared after reviewing the respiratory solution market. This review showed the market in units has increased approximately 50% from 1992 (an average of 17% per year). Most of the growth came in 1993, the 1995 rate of growth is expected to be around 9%. The primary source of this growth is from UDV, growing at an average rate of 23% since 1992. UDV growth rate for 1995 is expected to be in the range of 14%. In reviewing the market for IBUDV, the artificial depression of the market due to supply limitations must be considered, as well as discrepancies between IMS and BIPI data. BIPI has informed Roxane that IMS has historically under reported the sales of Atrovent UDV. 1994 IMS unit sales were 653,000 compared to actual BI unit sales of 1.1 million, IMS under reported by 40 %. The numbers for 1995 appear to be in roughly the same proportion. This is attributed to the sale of product to direct home health care accounts that have never been reported to IMS. For this reason the forecast is based on BIPI units and rate of growth instead of IMS data. It is interesting to note however that both rates of growth are similar, IMS shows a rate of 88% and BIPI's rate is 95%. It should be noted that the market figures may be significantly under estimated, given the potentially high level of Ipratropium being compounded by large homecare pharmacies. Steps to better ascertain compounding volume are being taken, to better determine the actual market size. It is likely that Roxane could capture a significant portion of the compounding market, providing the pricing provides a large enough "spread" to maintain acceptable profit levels.

Potential competitors : Dey Laboratories, Copley, Astra, Warrick, NovaPharm and Paco.

The single most significant competitor is Dey Labs, they have done an outstanding job at building strong relationships within this market and will do what they can to maintain their dominant position. Dey offers a complete product line for the RT market (including their recent addition of Glaxo's Ventolin MDI) and value added services, such as their sample fulfillment program, in addition to an incentive based bundle to try to maintain the loyalty of their customers. Roxane must develop similar programs to succeed within this marketplace. Another distinct advantage Dey offers is a better packaging. Their packages are significantly smaller than BIPI box

ROX-04608

of 25 that we will inherit. With space being at a premium in most of the accounts we will sell to, Dey will make this a major issue in their sales presentation. Additional advantages in packaging for Dey are the lack of a foil pouch and the snap off caps of 5 UDV's, making the product more attractive to the end user as well as the distributor. Roxane has begun working on an improved package that will eliminate these advantages, unfortunately the earliest the package can be changed is the fall of 1997. One minor change that will be made now is the addition of a notch in the foil pouch, making it easier for the pouch to be opened.

It should be noted that Dey has been contacting accounts since early September, 1995 pre-selling their product as part of a respiratory therapy package. They are offering IBUDV as part of a bundle at a "basic" price that will be incentivized like all their other products. Four major buying groups have confirmed this offer; Premier, AMHS, Amerinet and Purchase Connection. All four of these groups have reported Dey will be shipping late September.

Target Market:

The market for generic Ipratropium Bromide Unit Dose Vials (IBUDV) consists of six classes of trade; 1) Wholesalers 2) Home Healthcare Agencies 3) Warehousing Chains 4) Mail Order Pharmacies 5) Group Purchasing Organizations (Hospital and Retail) and 6) Non-warehousing chains. Roxane has extensive experience in selling multi-source products to all of these classes of trade, except the Homecare market. Therefore, the majority of pre-launch efforts have been spent in analyzing this segment of the market, in order to obtain a better understanding of how this market works and who the key homecare agencies are.

Objective:

Capitalize on the narrow window of exclusivity for IBUDV in the targeted markets, while maintaining a majority of the market share for the Boehringer Ingelheim Corporation. The financial objective for Roxane is \$25 Million in sale for 1996.

Forecast:

Unit forecasts were developed based on the assumption that the total Ipratropium Bromide UDV market will achieve a level of 4.7 million units of 25. Again, this estimate could be considerably low depending upon the actual amount of compounding

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DATE : 11/03/09

performed by large home care pharmacies. During the course of developing this plan, it became apparent that a unit of 30 would be necessary to provide enough flexibility to adequately service this market. For consistency with BIPI and planning for production capacity, this forecast was prepared in units of 25 only. All units of 30 will be pulled from this inventory "pool", the breakout of units of 25 and units of 30 follow.

? check #s below

IBUDV Forecast in Units of 25

Year	Units
1996	1,169,000
1997	2,475,000
1998	2,720,000
1999	3,035,000
2000	3,120,000

IBUDV Forecast in Units of 25 and Units of 30

Year	Units of 25	Units of 30
1996	824,000	161,000
1997	1,733,000	619,000
1998	1,890,000	675,000
1999	2,125,000	759,000
2000	2,185,000	780,000

Pricing:

Pricing of the IBUDV will follow the traditional parameters of a generic product. Specifically, AWP will be brand less 10%, or \$44.06 for the 25 count package; WAC will be AWP less 40%, or \$26.44 for the 25 count package. This type of price structure is used for a generic launch is to create an attractive spread between WAC and AWP, encouraging accounts to convert from the brand name to the generic product as quickly as possible. This rapid conversion is necessary in order to protect our position in the market after generic competitors enter the market. It is felt that competitive pressures will drive large homecare pharmacies to purchase significant volumes of IBUVD, once pricing is driven down to the \$.75 - \$.80 per vial level.

Once a generic product is being utilized by an account, there is a greater possibility of meeting competitive challenges through simply matching price. If your product is not being used prior to a competitors launch, other factors (such as breadth of product line,

ROX-04610

bundling, etc.) will be considered and the account may opt for the competitive product. In a multi-source product launch, one of the most important keys to success is conversion from the brand to your first to market generic, as early as possible during your period of exclusivity. Again, this is done through enticing the accounts with an increased spread between WAC and AWP.

Wholesalers: will be the first target for Roxane to approach regarding the pending launch of IBUDV. During the week of April 2, 1996 all national headquarters will be called on in person by a National Account Sales Representative, to obtain order entry numbers. On April 15 an initial stocking order will be solicited from the wholesalers. Whenever possible a corporate buy in will be sought to ensure wide spread availability of the product upon launch. In order to fill the pipeline the suggested initial order for Roxane's IBUDV will be equal to two month sales of Atrovent UDV.

To obtain as high a market penetration as possible with the wholesalers, an initial stocking deal will be offered. The initial stocking deal that will be offered to the wholesalers is 90 days dating and 5% stocking allowance on their first order. For continued use of the product it will be placed on wholesaler source programs at an additional 10% rebate, making the wholesaler price \$23.80 after source rebate.

*90 days dating
only*

In order to ensure all wholesalers are stocking the product in all of their distribution centers (DCs), Roxane's Regional Directors (RDs) will personally visit each of the DCs that are within their assigned territory. This visit will take place during the month of May to secure pre launch orders for all DCs that are not covered by a corporate buy in. Again the suggested initial order will be two months of each DC's sales of Atrovent UDV.

Key Account Representatives (ARs) will first contact any DC that is not within an assigned RD territory, or a territory that is uncovered due to turnover in the field. This initial contact will be to secure the same pre launch order mentioned above. The week prior to launch the ARs will contact all DCs to reconfirm the order and inform them product will be shipped within the week.

Shipping and Minimum Order Quantities:

The shipper is a case of 48 units of 25, during the initial launch phase of the product. The minimum order will be one case. If an order is to be shipped via UPS the maximum quantity is 5 cases, or 240 units of 25. A pallet of IBUDV shippers is 12 cases, or 576 units. For the first shipment of product to the wholesalers, orders in pallet quantities should be encouraged. This will allow us to prepare orders in advance and speed. Objective: have product at wholesaler distribution points, ready for sale on June 3rd.

FROM : RUPP & ASSOCIATES

PHONE NO. : 407 257 2202

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Homecare:

BI has not been able to fully address the needs of this market, due to market oversight and shortage of supply. To assure success, Roxane must concentrate more fully on developing this market. There are over 13,000 home health care agencies, 3,200 (or 25%) of which are involved with respiratory therapy (RT), 60% (1,920) of these agencies sell pharmaceuticals. This group of agencies comprise our entire universe of targets for IBUDV. While the entire universe may consist of nearly 2,000 agencies, approximately 80% of the business can be accessed through 40 accounts. This list can be further targeted to the top 6 chain for profit agencies that contribute nearly 50% of the sales for the total market.

The top six chain homecare agencies that will be targeted are as follows:

- 1) Apria Health Care Group; Costa Mesa, CA; 350 Branches
\$1,100 million in revenues; 55% of business is in RT (\$605 million)
- 2) American Homepatient; Franklin, TN; 204 Branches
\$141 million in revenues; 53% of business is in RT (\$75 million)
- 3) Rotech Medical Corp.; Orlando, FL; 275 Branches
\$134 million in revenues; 39% of business is in RT (\$52 million)
- 4) NMC Homecare; Waltham, MA; 102 Branches
\$330 million in revenues; 13% of business is in RT (\$43 million)
- 5) Pediatric Services of America; Norcross, GA; 80 Branches
\$97 million in revenues; 24% of business is in RT (\$23 million)
- 6) Signature Home Care Group; Irving, TX; 21 Branches
\$110 million in revenues; 9% of business is in RT (\$10 million)

In order for IBUDV to maximize market share the issue of compounding Ipratropium powder must be addressed. Compounding rate was around 20% at the launch of Atrovent UDV, increased to 50 to 80 % during the shortage and is now in the 20 to 50% range. In general, the larger homecare agencies will perform less compounding Ipratropium once a generic product is available, providing that price and spread allows for acceptable profitability. The smaller independent agencies are more likely to be compounding now, and there is a greater potential for them to continue to compound

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FROM : PUPE & ASSOCIATES

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after the release of Roxane's IBUDV. For this group of homecare agencies, price will be the determining factor of whether they convert from compounding to Roxane's IBUDV. Compounding costs range from \$0.17 to \$0.20 per dose, our price will be in the \$1.00 per dose range. Clearly we will not be able to obtain 100% of the compounding market, but we expect to be able to obtain the larger agencies' compounding business. Regulatory and Medicare reimbursement issues will create changes within this market and a shake out will most certainly occur.

The following list of accounts are the targets for Roxane, it is estimated that this list of accounts account for more than 80% of the homecare RT market. It should be noted that due to the nature of the homecare market it will be very difficult to determine the volume of individual accounts or even the volume of the entire RT homecare market. BIPI estimates are based on IMS under reporting unit sales by 40%, making the total homecare market for IBUDV approximately 1,000,000 units in 1995. If the same assumption is made regarding the rate of growth (95%), as was used in developing the IBUDV forecast, the market for IBUDV in homecare will be in the 2,000,000 unit range for 1996. This means the following list of targeted homecare agencies should use approximately 1,600,000 units (25s) of IBUDV in 1996. However, given the lack of focus or understanding of the Homecare market, this figure may be significantly under estimated. The more quickly and completely this business is converted to Roxane IBUDV, the greater the opportunity to maintain the business once additional competitors enter the market.

CUSTOMER NAME	CITY	STATE	SIZE
MILNER/RUSHING HOMECARE	FLORANCE	AL	SMALL
ALABAMA PRESCRIPTION SVS.	RAINSVILLE	AL	LARGE
NATIONAL MEDICAL RENTALS	LITTLEROCK	AR	MEDIUM
LAHR PHARMACY	PHOENIX	AZ	SMALL
VALLEY HOME HEALTH SVS.	PHOENIX	AZ	MEDIUM
APRIA HOMECARE	CAMARILLO	CA	LARGE
CLAYWORTH PHARMACY	CASTRO VLY.	CA	SMALL
MK MEDICAL	FRESNO	CA	SMALL
CORAM HEALTHCARE	DENVER	CO	MEDIUM
HEALTH SCRIPT	DENVER	CO	LARGE
COMPUTRX	BRIDGEPORT	CT	SMALL

ROX-04613

FROM : POPE & ASSOCIATES

PHONE NO. : 787 257 2202

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LINCARE	CLEARWATER	FL	LARGE
ORANGEBELT PHARMACY	DELAND	FL	SMALL
HOMEMED PHARM	JACKSONVILLE	FL	LARGE
SERVICES			
RESPIFLOW	JACKSONVILLE	FL	LARGE
PHARMACY FACTORS	LARGO	FL	LARGE
CHEEK & SCOTT	LIVE OAK	FL	MEDIUM
NEBUMED	MIAMI	FL	MEDIUM
PULMONARY PRESCRIPTION	MIAMI	FL	MEDIUM
RESPIRATORY PHARM.	ORLANDO	FL	SMALL
ROTECH	ORLANDO	FL	LARGE
TOTAL PARENTAL	PENSICOLA	FL	MEDIUM
SERVICES			
HEALTH MEDS	QUINCY	FL	MEDIUM
MEDICATIONS PLUS	QUINCY	FL	MEDIUM
ADAM MEDICAL SERVICES	TAMPA	FL	SMALL
MP TOTAL CARE	TAMPA	FL	LARGE
WEST SHORE PHARMACY	TAMPA	FL	SMALL
WELAKA PHARMACY	WELAKA	FL	MEDIUM
PEDIATRIC SVS. OF	ATLANTA	GA	LARGE
AMERICA			
OPTION CARE	BOISE	ID	SMALL
OPTION CARE	BANNOCKBURN	IL	
METHODIST HOME CARE	INDIANAPOLIS	IN	
SPECTRACARE, INC.	LOUISVILLE	KY	
PULMODOSE/ROTECH	PADUCAH	KY	LARGE
AMCARE MEDICAL	NEWTON	MA	SMALL
NMC HOMECARE	WALTHAM	MA	
BINSON'S HOMECARE	CENTERLINE	MI	SMALL
WHITE & WHITE	GRAND RAPIDS	MI	MEDIUM
COMFORTCARE OF	TROY	MI	SMALL
MICHIGAN			
STA-HOME HEALTH	JACKSON	MS	
AGENCY			
LUTHERAN HEALTH SVS.	FARGO	ND	SMALL
TRANSWORLD HOMECARE	CLARK	NJ	LARGE
HI-TECH HEALTHCARE	LAS VEGAS	NV	MEDIUM
MEDICINE SHOPPE	CANANDIAGUA	NY	SMALL
OXYMED	HUNINGTON	NY	SMALL
WASSEROTT'S	LUZERNE	PA	SMALL

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UNITED HEATHCARE SERVICES	PHILADELPHIA	PA	SMALL
LIBERTY HOME HEALTH CARE	SPRINGFIELD	PA	SMALL
HOMECARE USA	TREVOSE	PA	
MEDICAL SVS. OF AMERICA	COLUMBIA	SC	SMALL
AMERICAN HOME PATIENT	BRENTWOOD	TN	LARGE
P & P PHARMACY	HENDERSONVILLE	TN	SMALL
MESSICK PHARMACY	MURFRESBORO	TN	MEDIUM
PROMED SERVICES	AMARILLO	TX	LARGE
SPECIALIZED PHARM. SERVICE	BEAUMONT	TX	MEDIUM
COLUMBIA HOMECARE	DALLAS	TX	MEDIUM
HEALTHCORE HOLDINGS	DALLAS	TX	MEDIUM
SIGNATURE HEALTHCARE	DALLAS	TX	MEDIUM
A & R MEDICAL	FORT WORTH	TX	MEDIUM
ACCURATE MEDICAL	FORT WORTH	TX	MEDIUM
SYMPHONY HOMECARE	IRVING	TX	
INTERWEST HOME MEDICAL	SALT LAKE CITY	UT	
MEDMARCO, INC.	SALT LAKE CITY	UT	
WASEM'S DRUG	CLARKSTON	WA	SMALL
EVERGREEN RESPIRATORY	KIRKLAND	WA	LARGE
STEIN HOME MEDICAL	MADDISON	WI	SMALL
HOMECARE MEDICAL, INC.	MILWAUKEE	WI	

In order to more fully develop and define Roxane's target universe in the homecare market, a retail outlet report for Atrovent has been ordered from IMS. This report will rank retail outlets (including larger homecare agencies) by deciles in dollar volume. This report will also include the Atrovent MDI for the purpose of targeting potential customers that would be interested in an IBUDV and MDI bundle.

The first objective for the home health care market is to alert the accounts of the availability of a generic IBUDV from Roxane. This will be accomplished through a letter to all the targeted accounts, and SMG's list for homecare and DME providers. The notification will be in the form of a letter from Jerry Walsh announcing the pending launch

ROX-04615

FROM : ROXANE & ASSOCIATES

PHONE NO. : 801 251 2202

APR. 9, 1996 7:12AM P11

and a sell sheet with a BRC will be enclosed. The BRC will offer the account the option of placing their initial order or requesting a representative contact them once the product is available. This mail program will be done with the intent of notifying this class of account that there will soon be a generic IBUDV available and compounding will no longer be necessary. Due to regulatory issues with the FDA many accounts will stop compounding Ipratropium.

Contracts:

Contracts will be two -three years in duration, they must be structured in such a way that the account will "carve out" IBUDV from any bundle that Dey Laboratories offers. This tactic has been employed by Dey in the past, very effectively, prior to the launch of their Albuterol UDV. This will require pricing IBUDV competitively from the beginning and possibly bundling the IBUDV with the IB MDI. The contracts will be written with the first right of refusal clause written into it, allowing Roxane to meet any price that future competitors may offer. In addition to the contract, the loyalty bonus will be utilized to ensure the accounts will continue to purchase our IBUDV after competitive products are launched. Since the Ipratropium Bromide MDI may be available sometime in 1996, it should be included in the loyalty bonus. No administration fee will be paid to GPOs on the loyalty bonus.

Bundling:

On the surface offering a bundle of Roxane RT products does not look attractive to our customers. The products that are available to bundle are; Isoetharine Inhalation Solution, Sodium Chloride Inhalation Solution, Metaproterenol Sulfate Inhalation Solution, and Acetylcystine Solution. None of these products are considered blockbuster products and more than likely would not sway an account to use our IBUDV if they were not going to use it already. It is unlikely that any real or perceived benefit will be derived by attempting to bundle the previously mentioned products. Rather, they should be dealt with on a case by case basis.

Due to the lack of any other RT product being available at the launch of IBUDV, no bundle will be offered initially. Once the MDI is available, we will be able to create a bundle around the combination of the two products and will be able to include the remainder of our RT line. The addition of an MDI makes Roxane more attractive to them and demonstrates Roxane's commitment to the RT market. Additionally, it

ROX-04616

should be noted that approximately 80% of homecare nebulizer patients also use MDIs and many homecare pharmacies realize additional revenues through MDI sales.

Sales Resource Requirements:

Personnel:

The homecare market will be serviced by the National Accounts sales force. Initially, this will require the addition of two National Account Representatives to the sales force, bringing the total National Account Sales Force to a total of 9 representatives. The additional headcounts will be placed in markets with the highest penetration of homecare, the first position to be filled likely will be in the Florida market. In order to effectively manage the field force, a field manager will be required. The field manager will aid the Director of National Accounts in the training, supervising and hiring of personnel. Additionally, this manager would provide market information that would aid in developing promotional programs for multi-source products with the Director of National Accounts.

The Key Account Representatives will be servicing this market from the home office. The account representatives will contact the targeted homecare agencies within their assigned territories through regular phone calls. The purpose of these calls will be to keep a constant supply of IBUDV being shipped into the accounts and to keep a constant supply of information coming in from these accounts.

Material:

In order for Roxane to service this market effectively, IBUDV will need to be sampled. This can be done in one of two ways: The first would be for Roxane to ship up to 2% of total unit sales volume to the homecare agency. The homecare agency would then be responsible for distribution of the samples to the physicians that refer patients to them. The agency would be responsible for administering the program and maintaining all records for the program. This option will not appeal to all homecare agencies, as the cost of administering this program will decrease their margin on IBUDV. The second option would be for Roxane to supply the same maximum 2% of unit sales for sampling, with Roxane administering the program for the homecare agencies. This will appeal to a wider segment of the market, but would be very difficult for Roxane to manage in house. The

best solution would be to out source this type of program to a fulfillment house that would maintain inventories and manage the records for the program. Both options should be made available to these accounts in order to meet their needs.

Sales Policy

Roxane must always consider it's relationship with the buying groups when selling direct to the homecare agencies. By selling direct to these agencies we run the risk of alienating the GPOs, so all direct sales must be sold through the GPO contract. This will enable the homecare agency to avoid the wholesaler up charge and will still keep the business at the GPO. For this reason it is very important to determine which, if any, of buying groups these agencies belong to. This information will be obtained by the National Account Representatives during their sales calls. The representatives will then forward that information to the home office, through the Director of National Accounts. The payment of administration fees can sometimes be used a negotiating chip with other products. This may be done on a case by case basis. In the case of DEY LABS and PBI, Dey pays 100% (3%) of the admin. fee and honors all trade classes equally.

Direct accounts:

Direct accounts will be needed in order to service this market. The National Accounts Customer Service Representatives and Roxane's Controller will establish direct accounts prior to the launch of the product, as the National Account Representatives begin signing contracts with the homecare agencies. This will be a new class of trade and new customer codes for this type of customer will be created. There may be as many as 500 accounts seeking to open direct accounts. Typically, many homecare pharmacies prefer to purchase directly from the manufacturer. Although this situation is not ideal from the manufactures view, it remains a reality.

SWOT in the Homecare Market

- S - 4 months head start; Proprietary product at generic price
- W - Single product; BIP1 connection, customer base anti-Boehringer; Packaging, foil pouch, box and vial; Market knowledge

ROX-04618

- O - Product expansion, MDI, Albuterol, Cromolyn Sodium;
Alliances exploring Paco deal and possibly RPR, ALP and RCI
- T - Price erosion, to the \$8.00 to \$10.00 range as more competitors
enter the market; New competitors, Dey, Astra, Zenith,
NovaPharm; Medicare reimbursement change; will happen, major
shakeout will occur could result in an opportunity for the MDI, but
it could severely reduce IBUDV sales.

Promotional Programs:

Mail program to announce the product, journal ads, wholesaler promotions (phone and or
source programs), PharmAlerts, Under the door introduction pieces at up coming
Trade Shows. ASCP & ASHP

ROX-04619

Plan Of Action for Homecare:

The plan of action for IBUDV in the homecare market is to contact the targeted accounts during the third week of April to announce the upcoming product launch. During this time the National Accounts sales force will sign the accounts to a two-three year contract offering a competitive price for IBUDV. The contract will include a first right of refusal clause. By offering the Loyalty Bonus to these accounts we should be able to maintain the business upon competition entering the market. The loyalty bonus will be offered to accounts that purchase IBUDV at two different levels, 3% and 5%. To be eligible for the 5% bonus the account will need to purchase all of Roxane's RT product line, the 3% loyalty bonus will be paid to any account that purchases the IBUDV (and later MDI will be included). This bonus will be earned and paid in three equal amounts over three quarters following the quarter of purchase, provided eligibility requirements are maintained. Bonus earnings and payments shall cease beginning with the quarter that eligibility requirements are not met. In other words, any accrued bonus will not be paid if the account switches to a competitive product. The accounts will carve out IBUDV from any bundle that Dey offers in order to receive the loyalty payout. The hope is that, Dey Laboratories will not risk losing their RT franchise by insisting the accounts purchase their IBUDV.

The National Account Representatives will try to secure the first order at the time the contracts are signed. If that is not possible, the Key Account Representatives will follow up with phone calls to secure the initial order. The goal is to have 100% of the targeted homecare accounts signed and initial orders in house a minimum of two weeks prior to launch. The initial orders will be shipped out May 31, 1996, product should reach all accounts on the first business day of June (June 3, 1996). Follow up with all accounts during the first two weeks of June will be necessary to help the accounts determine the proper level of inventory to keep on hand.

Here too, the issue of minimum order quantities and shipping should be addressed. The shipper is a case of 48 units of 25, during the initial launch phase of the product the minimum order will be one case. If an order is to be shipped via UPS the maximum quantity is 5 cases, or 240 units of 25. A pallet of IBUDV shippers is 12 cases, or 576 units.

For the first shipment of product to the top six chain homecare agencies, orders in pallet quantities should be encouraged. This will allow us to prepare orders in advance and speed delivery to the customer. Our objective is to have product to direct account homecare agencies on June 3, the first business day of the month. All direct account

FROM : POPE & ASSOCIATES

PHONE NO. : 707 257 2202

APR. 9, 1996 7:15AM P16

homecare agencies initial minimum order will be one case (48 units of 25), regardless of the size of the agency. Any account wishing to order less than one case will need to order through their wholesaler.

Warehousing Chains:

The National Accounts Sales Force will begin contacting the warehousing chains during the week of April 15, 1996. Much of the strategies and activities of the National Account Sales Force will be the same as in the wholesalers. Specific items related to pricing and minimum orders follow.

Pricing of the IBUDV will need to follow the traditional parameters of a generic product, just as in the wholesalers.. Specifically, AWP will be brand less 10%, or \$44.06 for the 25 count package; WAC will be AWP less 40%, or \$26.44 for the 25 count package. In order to achieve acceptance of this product by the warehousing chains an additional 10% rebate will be required, bringing the warehousing chain price to \$23.80 after rebate. The reason for this type of price structure was explained in detail earlier in the price section of the plan. In order to obtain as high a market penetration as possible with the warehousing chains, an initial stocking deal will be offered. The initial stocking deal that will be offered to the warehousing chains is 90 days dating and 5% stocking allowance on their first order.

With the warehousing chains the issue of minimum order quantities and shipping should be less problematic than with the other classes of trade. The warehousing chains will be requested to order their initial shipment of IBUDV in the 576 unit pallet quantities. This will allow us to prepare orders in advance and speed delivery to the customer. Our objective is to have product to warehousing chains on June 3, the first business day of the month.

Experience has taught Roxane, that with this class of customer; perhaps more than with any other class of customer, being first into their warehouses is vital to be successful with a multi-source product. Once our product is in their warehouse, the competition will find it difficult to displace us. This is true for a variety of reasons, the two biggest reasons are: 1) The chains don't want to change and cause possible confusion in their stores. 2) We are able to match competitive price challenges to keep the product on the shelf. One potential problem that may arise is the size of the package. As stated earlier, Dey offers a much smaller package that they will try to exploit to get the business.

ROX-04621

FROM : MURE & ASSOCIATES

PHONE NO. : 707 257 2202

APR. 9, 1996 7:16AM P17

Hospital GPOs

In order to capitalize on the success of BI within this market, Roxane will need to extend contract pricing to all GPOs. These offers will be offered in mid April, 1996, at a price 40% below wholesale. The National Account Representatives and Account Reps will follow up for additions to contracts. These contracts will have an effective start date of June 1, 1996. All component markets of the GPOs will be eligible for this contract pricing. The most notable component market for this product is the home health care market.

Beginning April **TO BE DETERMINED** the National Account sales force will contact the GPOs to which they are assigned. Over the course of a two week period all major GPOs will have been contacted and offered contracts similar to the homecare contracts. These will be written with the first right of refusal clause and will be two years in length. The Key Account Representatives will follow up with the GPOs until the product has been added to their contracts. The goal is to have all of the major hospital GPOs signed by the second week in May. This is the point at which the Hospital Account Representatives will begin contacting their assigned hospital targets to secure orders.

The Regional directors will begin sales activities in their targeted hospital accounts the first week of May. Initially the RDs will concentrate on accounts that belong to buying groups that have added IBUDV to their contracts. Again the target for all groups having added the product to their contracts is the second week in May, at which point the RDs will be free to call on all targeted accounts.

Sales Personnel Requirements

National Account Representatives will be responsible for presenting contracts to all Hospital GPOs and securing the addition of IBUDV to these contracts. As mentioned above this process will begin during the week of April **TO BE DETERMINED**.

Retail Account Representatives will be responsible for following up with the GPOs to ensure the contracts are indeed signed. The ARs will be responsible for having all Hospital GPOs signed by the second week of May. This will allow the Regional Directors and Hospital Account Representatives to begin selling to their hospital accounts beginning the first week of May.

ROX-04622

Regional Directors will be responsible for selling IBUDV into their targeted hospital accounts beginning the first week in May, 1996. The Hospital Account Representatives will begin selling into their accounts during the second week of May.

Hospitals

In order to expand the total market for IBUDV, BI will continue to promote Atrovent UDV through at least September, 1996. The current targets for their sales call are centered on the ER and RT departments. It will continue to be the responsibility of the BI sales force to promote the use of Atrovent, the Roxane sales force will not be responsible for detailing physicians on this product. The Roxane sales force will be responsible for gaining conversion of Atrovent business to IBUDV. This will be accomplished through sales calls to pharmacy and the Respiratory Therapy Department, emphasizing that this product is the same as Atrovent at a lower cost to the institution. The pharmacy call will also be a profiling call to ascertain who else is ordering and stocking Atrovent within the hospital.

A hospital outlet report for IBUDV has been ordered that will rank all hospitals by deciles in dollar volume, as well as showing actual sales in dollars. This report will come in electronic format so it can be manipulated to provide the data either by state or by territory. This list will be utilized by the Regional Directors to target the larger hospital accounts within their territories. Upon targeting the top accounts in their territories the RDs will begin calling on the key decision makers for RT product purchases to make them aware of the pending launch of IBUDV. Upon notification of their hospital accounts' buying group signing a contract for IBUDV the RDs will secure initial stocking orders for their targeted accounts.

The IMS hospital outlet report will also be utilized by the Hospital Account Representatives for targeting within their assigned territories. Beginning the week of May 13, 1996 the Account Representatives will contact their targeted hospitals to begin taking initial orders from the accounts.

SWOT in The Hospital Market

- S- Bundling opportunity
- Contract in place on other products

ROX-04623

PHARMACY RELATIONS

PHONE NO. 107 257 2202

APR. 9. 1996 7:17AM P19

Pharmacy relations

- W-** No presence in RT
Limited RT product Line
- O-** Broaden RT line
Alliances
- T-** Price erosion
New Competition

ROX-04624